

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN BOB DAVIES**, on January 12, 2001 at 8:00 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Rep. Bob Davies, Chairman (R)
Sen. Jack Wells, Vice Chairman (R)
Rep. John Brueggeman (R)
Rep. Monica Lindeen (D)
Sen. Bea McCarthy (D)
Sen. Corey Stapleton (R)

Members Excused: None.

Members Absent: None.

Staff Present: Greg DeWitt, Legislative Branch
Mary Beth Linder, OBPP
Cyndie Lockett, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:

Executive Action: Risk Management and Tort
Defense; Procurement &
Printing Division; Mail &
Distribution; General Services
; Accounting & Management
Support

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30}

EXECUTIVE ACTION ON DEPARTMENT OF ADMINISTRATION

Chairman Davies called the meeting to order.

Mr. DeWitt explained his handouts to the subcommittee for helping them make their decisions. **EXHIBIT(jgh09a01)**

Mrs. Linder gave explanation on her handout. **EXHIBIT(jgh09a02)**

Rep. Lindeen asked **Mrs. Linder** what she meant by rates distributed as a change on her handout. **Mrs. Linder** explained the budgets across the State of Montana have the new numbers in them. The rate that changes effects all budgets.

Mr. DeWitt directed the subcommittee to Risk Management and Tort on page A-182 in the LFD Budget Analysis.

Motion: REP. LINDEEN move to approve the fees and charges proposed by the executive for the Risk Management and Tort Defense.

Discussion

Sen. Stapleton asked about the 70% insurance fund increase. **Mr. Dahl** said they need to look at actual cost which refers to **EXHIBIT(jgh09a03)**. He said that cost has increased with more litigation and counsel. The rate increases are necessary to purchase insurance and that you can be seen on page A-182. So basically there is an increase in responsibilities.

{Tape : 1; Side : B; Approx. Time Counter : 30 - 60}

Rep. Lindeen asked if any of claims were a carry over from last year. **Mr. Dahl** replied no these are claims that have taken place from July 1 2000, to the present.

Sen. Wells asked what the 50.6% was compared to on table 24A on page A-182. **Mr. Dahl** replied it was off the base year. **Mr. DeWitt** reminded **Sen. Wells** that in the subcommittee most numbers are compared to the base year.

Vote: The question was called for and the motion failed 2-4 with Lindeen and McCarthy voting aye.

Motion: SEN. WELLS move to amend general liability for fiscal year 2002 to 25% over base and for fiscal year 2003 to 30% over base.

Discussion

Sen. McCarthy wanted to see what the figures would be after those adjustments. **Mr. DeWitt** said it would be for fiscal year 2002 \$4,793,553 and for fiscal year 2003 \$4,985,295.

Vote: The question was called for and the motion carried 4-2 with Lindeen and McCarthy voting no.

Motion: SEN. STAPLETON moved to approve the remaining rates requested on page A-182, table 24A.

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Mr. DeWitt had the subcommittee go to page A-146 to start executive action on Procurement & Printing. He then explains how the motions should go. Move the base level of funding plus statewide present law adjustments, the additional vacancy savings included in present law DP 699, and the rent reductions in present law DP 698. DP 699 implements Governor Martz's vacancy savings increase.

Motion: SEN. STAPLETON moved the base level of funding plus statewide present law adjustments, the additional vacancy savings included in present law DP 699, and the rent reduction in present law DP 698 for Procurement and Printing.

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Mr. DeWitt lets the subcommittee know they have just have completed HB 2 appropriations for this program. He then directs them to page A-149 to discuss Publications and Graphics. This is a proprietary account in which they charge other people for services. They are requesting a 60-day working capital rate. They are asking for permission to operate their business and not exceed 60-days working capital.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 30}

Motion: SEN. MCCARTHY move to approve a maximum of 60-day working capital reserve as the rate for the Publications and Printing.

Discussion

Rep. Brueggeman asked **Mr. DeWitt** if the subcommittee does not vote for the 60-day working capital what can they do. **Mr. DeWitt** answered if the subcommittee does not approve a 60-day working capital rate then they must provide an alternate rate or the program has no funding.

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Motion: **REP. LINDEEN** move to approve a maximum of 60-day working capital reserve as the rate for the Central Stores.

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Motion: **SEN. MCCARTHY** move to approve a break even working capital reserve as the rate for the Natural Gas Procurement.

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Mr. DeWitt talked about the State Fueling Network on page A-155 and that their requesting a 60-day working capital rate. The charge 0.5% of gross purchases to pay for administrative costs

Motion: **REP. BRUEGGEMAN** move to approve a maximum of 0.5% of gross purchases for the rate for Statewide Fueling Network.

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Motion: **SEN. MCCARTHY** move to approve the administrative fee of a \$1 per card per month as the rate for the 2003 biennium for State Procurement Card Account.

Discussion

Sen. Stapleton asked for clarification on how many cards are in circulation. **Mr. Eicholtz** responded by saying 4000 and basically what that \$1 fee is a passenger fee. He pays the \$1 fee to MasterCard.

Vote: The question was called for and the motion carried 5-0 with Wells absent.

{Tape : 2; Side : B; Approx. Time Counter : 30 - 60}

Chairman Davies addresses the subcommittee and explains that they missed DP 4 under the Procurement and Printing Division. He asks **Mr. DeWitt** to explain. **Mr. DeWitt** directs everyone back to page A-148. This DP would provide an increase in their budget to pay the fees to other portions of the Department of Administration that also have rates and charges.

Motion: **SEN. STAPLETON** moves to approve **DP 4** as requested for the Procurement and Printing Division.

Vote: The question was called for and the motion carried unanimously.

Mr. DeWitt directs the subcommittee to the next executive action which will involve the Mail & Distribution Division. He referred them to page A-171. This division is entirely proprietary funded by rates and fees. The program is requesting a 60-day working capital rate for the mail. Two issues will be voted on and they are a 60-day rate for all but inter-agency mail and the other is for a \$171,655 per year rate to allocate costs to agencies for inter-agency mail.

Motion: **SEN. MCCARTHY** move to approve a 60-day working capital reserve as the rate for all but interagency mail for the Mail and Distribution Division.

{Tape : 3; Side : A; Approx. Time Counter : 0 - 30}

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Motion: **SEN. MCCARTHY** move to approve a \$171,655 per year rate to allocate costs to agencies for interagency mail for the Mail and Distribution Division

Vote: The question was called for and the motion carried 5-0 with Wells absent.

Mr. DeWitt directed them to page A-167 which involves the General Service Program.

Motion: **SEN. STAPLETON** move the base level funding plus statewide present law adjustments for the General Services Program.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. STAPLETON move to approve DP 10 as requested for the General Services Program.

Vote: The question was called for and the motion carried unanimously.

Mr. DeWitt told the subcommittee they are moving into the proprietary portion of General Services. He explains the monthly rate schedule in fiscal year 2002 for office space will be \$4.77 per square foot and in fiscal year 2003 office space will be \$4.88 per square foot. Then he explained the monthly rate schedule for warehouse space in fiscal year 2002 will be \$2.12 per square foot and in fiscal year 2003 for warehouse space will be \$2.12 per square foot.

{Tape : 3; Side : B; Approx. Time Counter : 30 - 60}

Motion: SEN. MCCARTHY move to approve rate schedule for office space rent in fiscal year 2002 at \$4.77 and in fiscal year 2003 at \$4.88 plus warehouse space rent in fiscal year 2002 at \$2.12 and in fiscal year 2003 at \$2.12.

Vote: The question was called for and the motion carried unanimously.

Mr. DeWitt said the next program was Accounting and Management Support.

Motion: REP. LINDEEN moved the base level of funding plus statewide present law adjustments, the additional vacancy savings included in present law DP 699, and the rent reduction in present law DP 698 for Accounting and Management Support.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. STAPLETON move to approve DP 4 present law for \$25,258 for fiscal year 2002 and for \$25,343 for fiscal year 2003 for funding the position (not to include costs for other services).

Vote: The question was called for and the motion carried unanimously.

Motion: REP. LINDEEN move to approve DP 6 as requested for Accounting and Management Support Program.

{Tape : 4; Side : A; Approx. Time Counter : 0 - 30}

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. STAPLETON move to approve DP 10 present law as requested for Accounting and Management Support Program as a restricted biennial appropriation.

Vote: The question was called for and the motion carried 5-1 with Wells voting no.

Motion: SEN. WELLS move to approve DP 2 new proposal at \$100,000 as an one-time-only for Accounting Management & Support Program.

Vote: The question was called for and the motion carried unanimously.

Motion: SEN. WELLS move to amend his motion to add Biennial on approving DP 2 new proposal at \$100,000 as an one-time-only for Accounting Management & Support Program.

Vote: The question was called for and the motion carried unanimously.

Motion: REP. BRUEGGEMAN move to approve DP 3 new proposal as requested for Accounting and Management Support Program.

Vote: The question was called for and the motion carried unanimously with a proxy from Wells voting aye.

Motion: REP. LINDEEN move to approve the fees and charges proposed for the LEGAL SERVICES UNIT FUND 06504 as requested for Accounting and Management Support Program.

Vote: The question was called for and the motion carried unanimously with a proxy from Wells voting aye.

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ADJOURNMENT

Adjournment: 11:45 A.M.

REP. BOB DAVIES, Chairman

CYNDIE LOCKETT, Secretary

BD/CL

EXHIBIT (jgh09aad)